

## REVENUE SECRETARIAT.

*Notification No. Fl. 3840—L.T. 45-23-13, dated 6th January 1925.*

The following resolution of the Central Board of Revenue relating to the procedure for dealing with applications for refund of income-tax under Section 48 of the Indian Income-Tax Act, 1922, from residents in Indian States deriving income from interest on securities or for shares in a Company in British India is published for the information of the public in Mysore:—

No. 5389, DATED 10TH NOVEMBER 1924.

**Refunds of Income-tax—Applications from residents in Indian States—Procedure for dealing with.**

The Central Board of Revenue has had under its consideration the adoption of a convenient procedure for dealing with applications for refund of income-tax under Section 48 of the Indian Income-tax Act, 1922, from residents in Indian States who derive income from interest on securities or from shares in a Company in British India. At present, under the executive instructions contained in paragraph 57 on page 101 of the Income-tax Manual, residents in Indian States who hold Government securities the interest on which is drawn from British Indian Treasuries in an Indian State and whose assessable annual income in British India is less than Rs. 2,000 per annum, or who are liable to tax at a lower rate than the maximum, can obtain a refund of Indian income-tax from the officers in charge of those treasuries on production of a certificate of eligibility for refund granted by the Political Officer concerned. In other cases, the applicants under Rule 39 of the Indian Income-tax Rules, 1922, have to apply for refunds of income-tax to the Income-tax Officer of the district in British India in which they were last charged directly to income-tax when so resident, or if they were never so resident, to the Income-tax Officer of the district where the income-tax for the refund of which application is made was deducted. This procedure is cumbersome when, for example, a resident in an Indian State owns shares in several companies with headquarters at different places in British India, since it requires him to make an application, accompanied by a regular return of his total income from all sources in British India, to the Income-tax Officer at each such place. It has accordingly been decided that Political Officers should dispose of applications for refund from residents of an Indian State who own securities or shares in British India, and are not and have never been assessed in British India, or have never been formally declared not to be liable to income-tax in British India. In order to ascertain the total income of the applicant in British India, the Political Officer will follow the instructions contained in paragraph 57 on page 101 of the Income-tax Manual in regard to the grant of certificates of eligibility for refund of income-tax deducted from interest on Government securities. The refund of tax in such cases will be made from the British Indian Treasury under the control of the Political Officer concerned.

2. In order that the Political Officer may know whether the applicant is as a matter of fact assessed in British India or not or has been declared not to be liable to income-tax in British India, so that he may determine whether he should deal with the application or not, Income-tax Officers in British India making assessments on residents in Indian States or declaring them not liable to tax, have been instructed to communicate to the Political Officer in the State concerned, the bare fact of assessment, or of the person concerned having been found not liable to tax without any further particulars. Political Officers from the information thus received can compile an index, to which they can refer when an application for refund is received to ascertain whether the application is one that they should deal with or not. If the applicant's name does not appear in the index, the Political Officer should dispose of the case himself, but if his name appears in the index, as an assessee or a person declared not to be liable, the Political Officer should refer him to the Income-tax Officer who assessed him in British India.

3. It has also been decided that the scope of the existing instructions contained in paragraph 57 of the Income-tax Manual as to claims for refunds preferred by residents in Indian States who draw interest on Government securities at a British Indian Treasury in an Indian State should be restricted to claims by persons in regard to whom the Political Officer has received no advice from an Income-tax Officer in British India that they have been or are assessed to income-tax or declared not to be liable to tax in British India. In other cases, the officer in charge of the British Indian Treasury in an Indian State should grant of the time of payment of interest the certificate of deduction prescribed by Rule 15 of the Indian Income-tax Rules, 1922, for presentation to the Income-tax Officer concerned in British India from whom any refund of tax to which the person receiving the interest is entitled may be obtained.

4. The necessary corrections to the Income-tax Manual will be issued in due course.

By Order,

K. V. ANANTARAMAN,

Secretary to Government,  
Revenue Department.